

## WARREN COUNTY BOARD OF SUPERVISORS

### COMMITTEE: COMMUNITY COLLEGE

**DATE: OCTOBER 5, 2011**

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS CHAMPAGNE  
MCDEVITT

**COMMITTEE MEMBERS ABSENT:**

SUPERVISORS MONROE  
SOKOL  
WOOD

**OTHERS PRESENT:**

REPRESENTING ADIRONDACK COMMUNITY COLLEGE:

DR. RONALD HEACOCK, PRESIDENT  
WILLIAM LONG, VICE PRESIDENT OF ADMINISTRATIVE SERVICES  
KEVIN RIELLY, CHIEF FINANCIAL OFFICER  
KAREN MOSHER, ADMINISTRATIVE ASSISTANT  
MEMBERS OF THE BOARD OF TRUSTEES

PAUL DUSEK, COUNTY ADMINISTRATOR

DANIEL G. STEC, CHAIRMAN

JOAN SADY, CLERK OF THE BOARD

REPRESENTING WASHINGTON COUNTY:

KEVIN HAYES, ADMINISTRATOR

DEBORAH PREHODA, CLERK OF THE BOARD

MEMBERS OF THE BOARD OF SUPERVISORS

CAMERON TESSIER, WARREN COUNTY RESIDENT

OMAR AQUIJE, *THE POST STAR*

JOANNE COLLINS, LEGISLATIVE OFFICE SPECIALIST

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The joint meeting of Warren and Washington Counties Community College Committees was called to order at 1:32 p.m. in the Bishop Community Conference Center (BCCC).

Agendas were distributed to all Committee members, a copy of which is on file with the minutes.

Following introductions, Dr. Ronald Heacock, SUNY (State University of New York) Adirondack President, stated that the 2012-2013 Capital Funding Resolution would be addressed, as well as an update on the Student Housing initiative. He reported that enrollments had decreased 1% as of October 4, 2011.

Privilege of the floor was extended to William Long, Vice President of Administrative Services, who stated that each year SUNY requested a list of projects which required bonding and SUNY approval. Mr. Long stated his intent to keep the counties apprised and he summarized the projects for which the College had sought approval as follows:

<b>Technology</b>	Campus Wide	Classroom	\$160,000
Student housing: equipment for smart rooms; computer lab; security equipment.			
<b>Signage</b>	Campus Wide	Campus Enhancement	\$200,000
New branding: new entrance signs; stonework.			
<b>Equipment</b>	Campus Wide	Program Enhancement	\$100,000
Residential Hall fitness center; fitness center for campus-wide use.			
<b>Furniture</b>	Campus Wide	Classroom	<u>\$ 83,000</u>
Student housing: classrooms to be leased.			
Total			\$543,000

Dr. Heacock stated that in the past the Operating Budget was used for the State's sponsoring share; however, he stated, that was no longer possible and would be derived from Chargebacks from Saratoga County. Dr. Heacock asserted that although New York State Law required permission from the counties, the College had not requested Local Share funding.

Motion was made by Mr. Champagne and seconded by Mr. McDevitt to support SUNY Adirondack's 2012-2013 Capital Investment Improvement Projects.

Mr. Long advised that the receipt of State funding was not expected before April 2012 and he explained that the College must lease space intended for campus wide use from the LLC. Mr. Champagne asked the status of the science lab upgrades and Dr. Heacock apprised that although the general space layout of the science and technology building was outdated, lab equipment had been updated to meet code. He added that the new Wilton Center would have a state-of-the-art lab.

Mr. Champagne called the question and the motion was carried unanimously to support SUNY Adirondack's 2012-2013 Capital Investment Improvement Projects as outlined, in the amount of \$543,000, with 50% of the project cost paid by the State of New York and the 50% Local Share to be paid from Chargebacks. The necessary resolution was authorized for the October 21, 2011 Board Meeting.

In furtherance of the student housing initiative, Dr. Heacock pointed out that discussions had been underway since he began as President and he declared that the selection of a developer had made financing the primary focus. Following the approval of the ground lease, he said, the College had sent a Request for Proposal (RFP) to local banking institutions and one had expressed interest in the project. The next step, he said, was to meet with the Foundation to discuss the requirements necessary to meet the terms of the loan. Subsequently, he said, project planning and the development of marketing initiatives would commence. Mr. Long informed that the RFP had been sent to twenty financial institutions and advised that a favorable rating from Standard & Poors (S&P) had required existing equity which had not yet been established. In the future, he noted, ratings would be possible based on the equity in the student housing structure making refinancing (fixed rate) possible at a future date.

Mr. Hayes asked for a time line for construction and Mr. Long stated that the design phase had begun and he anticipated construction would begin in the Spring of 2012.

Pertaining to SUNY Adirondack's Culinary Arts Program, Dr. Heacock apprised of a lease under consideration between the College and the vacated Chef's Kitchen, a larger space located south of the College on Bay Road, where the program would relocate enabling growth. With regard to the Wilton site, Dr. Heacock informed that a ground-breaking ceremony was tentatively planned for October 14<sup>th</sup> and subject to change. He advised of a 35% increase in enrollment at the Wilton Center which had attracted increasing interest from residents from Saratoga and points south. He further stated that Wilton had offered daytime classes and he anticipated positive outcomes resulting from the new science lab. Dr. Heacock explained the critical importance of college locations as it related to both enrollment trends and a decreasing overall populace.

With regard to budget planning, Mr. Hayes expressed the need for collaboration between both sponsoring counties and the College to enable the College more effective budget planning and forecasting, such as a two or three-year plan. The current process, he said, required the College to present funding requests to the counties in an atmosphere of funding uncertainty at both the State and Local levels. Mr. Hayes asserted he would like to see a more amiable process where the counties established a percentage reflecting the amount they could support, to ease both the process and the College's budget planning efforts.

Dr. Heacock advised that both one and three year fiscal projections had been established and responded affirmatively to Mr. Hayes' suggestion to enable the development of a viable long term

vision. Additionally, Dr. Heacock acknowledged the counties' fiscal challenges which included unfunded State mandates. He advised that efforts were underway to develop fiscal models to include varying scenarios pertaining to budgetary issues such as staffing, which required one year advance planning due to contracts. Mr. Hayes further opined that if a multi-year budget plan was not feasible due to the level of uncertainty, that discussions be held to establish a plan.

One positive outcome which was feasible, Dr. Heacock expounded, was the development of scenarios based upon a range of assumptions, beyond budget annual planning activity. He stated that Kevin Rielly, Chief Financial Officer, had reviewed data which encompassed three years based on assumptions. He noted further uncertainty with regard to State reductions which were not finalized until year-end. Furthermore, he said, evaluative work to establish projections could be carried out, as well as the identification of possible financial resources, for which tuition had emerged as the only venue. As a result, Dr. Heacock continued, tuition had become prohibitive for some students and he cautioned that Congressional discussions to cut Federal (Pell) grant funds for education were underway.

Mr. Hayes noted the weighted impact of enrollment and tuition within one semester on the annual budget with regard to contributions from the sponsoring counties. He pointed out that when tuition was increased, fiscal reconciliations created the need for a significant reduction in Washington County's Fund Balance each year. Due to the structure of the formula, Mr. Hayes stated, the Fund Balance had shifted in Warren County's favor and could reach a point of imbalance that would not be viable and become an obstacle moving forward. Mr. Hayes urged that discussions be held to include an optimum strategy with which to split or allocate funding for Warren and Washington counties. Dr. Heacock expressed his interest in Mr. Hayes' suggestion and he noted the importance of maintaining a cushion to sustain one fiscal year due to the impact of enrollment levels. Furthermore, he stated, with the decrease in enrollments, the College would face an insurmountable \$1.2 million deficit. Dr. Heacock also pointed out that reconciliations were based on actual figures as opposed to budgeted figures and only 36% of the Fund Balance was actually available. He acknowledged the significant budgetary challenges facing the counties. Mr. Long reminded the Committee that the Fund Balance was used to maintain a balanced budget when the counties failed to approve contribution increases. Mr. Reilly apprised that the established 60/40 relationship or split for the counties was currently 82/18; therefore, he said, the Fund Balance withdrawal would be derived from Washington County.

Dr. Heacock exited the meeting at 2:21 p.m.

A discussion ensued and Mr. Long underscored the need to inform and educate Supervisors regarding the role the sponsoring counties' contributions played in the budget process and the resulting consequences. He asserted that a new funding formula was needed from the State in order to restore balance to all aspects of the College's fiscal condition.

Cameron Tessier, Warren County resident, asked what portion of the College's revenue was derived from Saratoga County enrollments and Mr. Long stated it was approximately one-third.

As there was no further business to come before the Community College Committee, on motion by Mr. McDevitt and seconded by Mr. Stec, Mr. Champagne adjourned the meeting at 2:34 p.m.

Respectfully submitted,

Joanne Collins, Legislative Office Specialist